

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8745
COMPANY NAME : S & F CAPITAL BERHAD
FINANCIAL YEAR : June 30, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The board leads and controls the S & F Capital Berhad ("S&F Cap or the Company") and its subsidiaries ("Group") in the discharge of its stewardship responsibilities by establishing the strategic direction and overseeing the risk management of the Group.</p> <p>The board recognises its duties and function by assuming the principal responsibilities as follows:</p> <ul style="list-style-type: none"> • Reviewing, approving and monitoring the overall strategies and direction of the Group; • Overseeing and evaluating the conduct and performance of the Group's business; • Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; • Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management; • Developing and implementing an investor relations programme or shareholder communications policy for the Group; and • Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group Chairman provides leadership to the board and the Group and ensures that the board functions effectively, and is entrusted with the task of instilling good corporate governance practices, leadership and effectiveness of the board.</p> <p>The key responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none"> • Overseeing and leading the board to ensure effective performance of the board; • Facilitating the effective contribution of all board members at board meetings; • Ensuring all strategic and critical issues are considered by the board; and • Ensuring compliance with all relevant regulations and legislation. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Group Chairman and the CEO (ie. Group Managing Director) are held by different individuals.</p> <p>The Group Chairman's and Group Managing Director's roles and responsibilities are divided to ensure that there is a balance of power and authority. This balance ensures that all matters brought before the board are fully, adequately and objectively discussed taking into account the interest of the various stakeholders including the minority shareholders.</p> <p>The Chairman of the board, Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin, plays a leadership role in the conduct of the board and its relationship with shareholders and other stakeholders. In addition, the Chairman also responsible for instilling good corporate governance practices, leadership and effectiveness of the board. The Managing Director, Mr. Kor Beng, supported by senior management, implements the Group's strategic plan, policies and decisions adopted by the board and oversees the operations of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: As at 30 June 2022, Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin is the Chairman of the board, Remuneration Committee and Nomination Committee and also a member of Audit Committee. Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin will ensure that he abstains himself in all deliberation and voting on all issues relating to himself to prevent any conflict of interest. Nevertheless, the board is working and intends to adopt this practice by 31 December 2023.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied	
Explanation on application of the practice	:	<p>The board is supported by the following 2 qualified Company Secretaries:</p> <p>(i) Chong Lay Kim (LS 0008373) (SSM PC No. 202008001920)); and</p> <p>(ii) Yeng Shi Mei (MAICSA 7059759) (SSM PC No. 202008001282)</p> <p>The Company Secretaries play an advisory role to the board particularly with regards to the constitution of the Company and the Company's compliance with regulatory requirements, rules, guidelines and legislation as well as best practices of corporate governance.</p> <p>The board has constant access to the advice and services of the Company Secretaries.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The board is supplied with information on a timely basis to enable it to effectively discharge its duties and responsibilities. As a general rule, all board meetings' papers are distributed at least a week before the respective board meeting so that the directors would have adequate time to read and understand the matters that will be discussed and deliberated at the meeting concerned. Additional information on the Group is also supplied to directors upon specific requests.</p> <p>Upon conclusion of each meeting, the minutes are prepared and circulated to the directors for review and comments by the Company Secretary in a timely manner.</p> <p>The minutes of meetings are confirmed as a correct record by the board at the following meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board Charter sets out, amongst others, the respective roles and responsibilities of the board, board committees, directors and management as well as the relationship between the board and its management.</p> <p>The board will review the Board Charter periodically and make any necessary or desirable amendments to ensure they remain consistent with the board's objectives, current laws and practices.</p> <p>The Board Charter is available on our Company's website at www.snfcapital.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The board has adopted the Code of Conduct and Ethics (the "Code") for directors, management and employees of the Company and the Group. All directors, the management and employees are expected to conduct themselves with the highest ethical and professional standards at all times. The Code of Conduct and Ethics is published on the Company's website at www.snfcapital.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	<p>The board has approved and adopted Whistle-Blowing Policy since June 2020. This policy is available on the Company's website at www.snfcapital.com.my.</p> <p>The board and management of S&F Cap and its subsidiaries are committed to the highest standard of integrity, honesty and ethical behaviour in the conduct of its business and operations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The board together with the management understands the importance of environmental, social and governance (“ESG”) factors on affecting the Group’s performance. These ESG issues are considered in every decision-making process.</p> <p>The board and management have been continuously engaged and considered the views of its internal and external stakeholders to better understand and manage the Company’s sustainability risks and opportunities.</p> <p>The sustainability matters are discussed in the Sustainability Statement in the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group’s initiatives on sustainability environmental, social and governance structure are presented in the Sustainability Statement which is included in the Company’s Annual Report.</p> <p>The board provides oversight on the Group’s sustainability and is assisted by the management who oversees the implementation of the Group’s sustainability initiatives. Representatives from each department meet regularly to discuss sustainability-related material issue and ensure sustainability is considered and integrated into day to day operation.</p> <p>The stakeholders will be able to assess the Company’s initiative towards sustainability via the disclosure in the Company’s Annual Report and website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The board continuously keep themselves abreast and understand the sustainability issues relevant to the Company and its business through board meetings, senior management, periodical updates by the Bursa Malaysia and trainings.</p> <p>During the financial year ended 30 June 2022, the board member attended the following trainings:</p> <ul style="list-style-type: none">(i) Webinar series : ESG and Sustainability Reporting(ii) Webinar Penyediaan Penginapan Pekerja Bagi Industri Di Bawah Sektor Pembuatan
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The board has through its Nomination Committee carried out annual performance evaluation on the board effectiveness including addressing the Company's material sustainability risks and opportunities. The board, through its annual appraisal ensure that the performance of senior management in managing material sustainability risks and opportunities are taken into consideration as part of their performance evaluation.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director’s performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The current Nomination Committee (“NC”) is guided by its Terms of Reference, Board Charter and Directors’ Fit & Proper Policy.</p> <p>The NC is tasked with conducting annual assessment on the effectiveness of the board as a whole, the committees of the board and the contribution of each individual director. In addition, the NC also assessed the independence of its independent directors based on required mix of skills and criteria of independence.</p> <p>For the purpose of recommending the re-election of retiring directors, the NC had assessed the performance of each of the retiring directors, and was satisfied that the retiring directors remain committed to their role and would continue to be effective and valuable members of the board.</p> <p>The retiring directors had abstained from all deliberations and decisions on their respective re-election at the NC and board meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board of Directors consist of six (6) members out of which two (2) are Independent Non-Executive Directors.	
		The board composition complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that require at least two (2) directors or one-third of the board, whichever is higher, to be independent.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders’ approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	<p>Currently, we do not have any independent director with tenure of more than nine (9) years.</p> <p>As stipulated in our Board Charter, the tenure of an independent director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the independent director may continue to serve the board subject to the director’s re-designation as a non-independent director. In the event the director is to remain designated as an independent director, the board shall first justify and obtain shareholders’ approval.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied	
Explanation on application of the practice	:	The board recognises diversity in the boardroom as a critical element for efficient functioning of the board and good governance practices. The board also believes that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance. Hence, the Nomination Committee in making recommendations for appointment of board members and senior management, due consideration is not only given to the required mix of skills, knowledge, expertise, experience, professionalism, integrity, competencies and time commitment but also gives due regards for other qualities, including diversity in gender, age, cultural background and ethnicity. The final decision as to who shall be appointed is the responsibility of the board after considering the Nomination Committee’s recommendation.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) is responsible for making recommendations on any nomination for appointment of new directors to the board and to committees of the board. The NC considers candidates for directorship proposed by the Executive Directors and where practicable, by any other senior executive and any director and shareholder or any suitable qualified candidates from independent sources.</p> <p>Current process of identification of new directors is mainly based on recommendations of the NC. The board relies on existing network and referrals from directors and major shareholders as primary means to source for new directors. The board is of the opinion that this is a proven approach for sourcing high-caliber directors with sound understanding of its business.</p> <p>On annual basis, the NC evaluates the board’s balance, mix of skills, knowledge, experience and diversity as well as the current and future needs of the Company prior to considering or proposing any new appointment to the board.</p> <p>There was no appointment of additional director during financial year ended 30 June 2022.</p>
Explanation for departure	:	
<i>For Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	Profiles of directors who are due for retirement and offered themselves for re-election are set out in Annual Report of the Company. The performance, contribution and if applicable, independence of the retiring directors who are standing for re-election were duly accessed by the Nomination Committee and board. The justifications to support the re-election of retiring directors were provided in the Notice of Annual General Meeting ("AGM") for shareholders to make informed decision at the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by an Independent Non-Executive Director, Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	At present, the board does not have any female director. The board supports the initiative to include woman representation on the board to achieve a more gender diversified board. Henceforth, a suitable and qualified female candidates who can contribute to the board will be considered for appointment by 30 June 2023.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The board is aware of the importance of boardroom diversity and is supportive of the recommendation of the Malaysian Code on Corporate Governance to the establishment of boardroom and workforce gender diversity policy. However, the Company does not have a policy of boardroom diversity, including gender, ethnicity and age diversity. The Company will provide equal opportunity to candidates with merit. Nonetheless, the board will give consideration to the gender diversity objectives.</p> <p>The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. In line with the country's aspiration target of 30% representation of women on the board of companies, the board will appoint at least one female onto the board to bring about a more diverse perspective.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Nomination Committee (“NC”) is tasked with conducting annual assessment on the effectiveness of the board as a whole, the committees of the board and the contribution of each individual director. The process was internally facilitated and conducted through questionnaires circulated to the board.</p> <p>The evaluation on the board effectiveness is divided into the following sections:</p> <ul style="list-style-type: none">• Board and Board Committees Evaluations• Assessment of Character, Experience, Integrity, Competence and Time Commitment• Assessment on Mix of Skills of Experience• Evaluation of Independent Director• Audit Committee Evaluation• Audit Committee Member’s Self and Peer Evaluation <p>The NC also assessed the independence of its independent directors based on required mix skills and criteria of independence.</p> <p>The results of the evaluation were summarized and discussed by the NC which were then reported to the board. Based on the evaluation results, the board has also agreed on the followings:</p> <ul style="list-style-type: none">• To recruit a least one (1) woman director by 30 June 2023• More ESG trainings for the board and management staff <p>Overall, the board is satisfied with the evaluation’s results. It concluded that the good mix of skills, experiences and core competencies as well as the time commitment from the current board has enable the board and board committees to function effectively and efficiently.</p>
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company’s website.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Remuneration Committee (“RC”) is responsible for the recommendation of individual directors’ level of remuneration. No formal remuneration policy and procedures have been established or made available on the Company’s website. In determining the remuneration of directors, the RC takes into account the skills, experience, the demands and performance of the Company as well as current market practices. The RC will ensure that the package is competitive and commensurate with the role and position, individual skills, experience and competency as well as the performance of the individual.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The Remuneration Committee carries out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.snfcapital.com.my .	
Explanation for departure	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the remuneration breakdown of individual directors of the Company during the financial year ended 30 June 2022 are set out in the 2022 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin	Independent Director	66.0	6.0	0	0	0	0	72.0	66	6	0	0	0	0	72.0
2	Tan Tai Ming	Non-Executive Non-Independent Director	48.0	3.6	0	0	0	0	51.6	48.0	3.6	0	0	0	0	51.6
3	Arthur Law Hlan Tat	Independent Director	48.0	3.6	0	0	0	0	51.6	48.0	3.6	0	0	0	0	51.6
4	Kor Beng	Executive Director	48.0	3.6	154.8	0	0	0	206.4	48.0	3.6	154.8	0	0	0	206.4
5	Kor Yann Kae	Executive Director	48.0	3.6	0	0	0	0	51.6	48.0	3.6	0	0	0	0	51.6
6	Kor Yann Shiun	Executive Director	36.0	3.6	0	0	0	0	39.6	48.0	3.6	0	0	0	0	51.6
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
----	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The remuneration which includes salary, bonus, benefits-in-kind and other emoluments paid to the top five senior managements during the financial year ended 30 June 2022 was not disclosed on a named basis due to the competitive nature of the businesses that the Company is in.</p> <p>The board is of the view that the remuneration paid to key senior management during the financial year ended 30 June 2022 disclosed in the band of RM250,000 would satisfy the accountability and transparency aspect of the Company.</p> <p>The board has considered and is of the opinion that the disclosure on the remuneration of the key senior management is not on a named basis as it is imperative for the Company to maintain employee's remuneration private and confidential to avoid unhealthy comparison which might lead to discontent among employees and an inharmonious working environment.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the board is Tan Sri (Dr) Ir. Jamilus Bin Md. Hussin while the Chairman of the Audit Committee is Mr. Arthur Law Hian Tat.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Audit Committee ("AC") recognises the need to uphold independence of its external auditor and that no possible conflict of interest should arise. Currently, none of the AC members is former key audit partners of the external auditors appointed by the Group. Our Company currently observes a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a AC member was a key audit partner of the Group's external auditors. We will adopt this Practice 9.2 and update our Terms of Reference of the AC.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	<p>A procedure is in place for the Audit Committee (“AC”) to conduct annual evaluation of external auditors to assess their suitability, objectivity and independence.</p> <p>The AC has obtained written assurance from the external auditors confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements during the audit plan review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit Committee of the Company had complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad of which at least one (1) member with the requisite accounting qualification.</p> <p>Collectively, the members of the Audit Committee have the relevant financial and commercial experience; and have carried their duties in accordance with the Terms of Reference of the Audit Committee. The Audit Committee will undertake the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to effectively discharge their duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The board firmly believes that risk management must be embedded within the daily operations and operating units of the Group, that is, from strategy formulation through to business planning and processes. The board is of the opinion that only by understanding risks, can the decision makers be able to evaluate the impact of a particular action or decision on the achievement of corporate objectives.</p> <p>The board has adopted an Enterprise Risk Management Framework across the Group and has directed management to implement all aspects of this framework so that a risk adverse culture and risk management awareness can be instilled at all operational levels. The board acknowledges that the implementation of the framework is an on-going process and considerable effort and commitment are required of management to do so as management has the responsibility to manage risks, implement effective internal controls and ensure compliance with the relevant laws and regulations without impeding the achievement of business objectives.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's system of internal control is based on a clear definition of responsibilities and the delegation of authority to the various board and management committees, all of which act in accordance with their respective formal terms of reference. The board has also taken all possible measures to ensure that its operations are in compliance with regulations imposed by authorities.</p> <p>The key elements of the Group's system of internal control are described below:</p> <ul style="list-style-type: none">• Board Committees The Group's system of internal control is based on a clear definition of responsibilities and the delegation of authority to the various board and management committees, all of which act in accordance with their respective formal terms of reference. At present, the established board committees are Audit Committee, Nomination Committee and Remuneration Committee.• Organisational Structure The Group has a defined organisational structure that is aligned with its business and operational requirements. There is a clear defined reporting lines and limits of authority / delegation of authority. In addition, all expenditures are approved in accordance with the formal limits of authority.• Policies and Procedures There are formalised policies and procedures in place to ensure the adequacy of controls and compliance with relevant laws and regulations. These policies and procedures are periodically reviewed and updated to reflect changes in business structure and processes. We also ensure all our legal contracts and documents are vetted by reputable firms of solicitors.

	<p>During the year, our subsidiary company, Maju Weko Timber Industries Sdn. Bhd. (“MWTI”) has maintained its ISO 9001:2015 accreditation for provision of works. Such certification demonstrates our ongoing commitment to drive excellence and continuous quality improvement.</p> <ul style="list-style-type: none"> • Internal Audit <p>S&F Cap has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”). During the financial year under review, Sterling has carried out independent reviews to ascertain the adequacy and integrity of the Group’s system of internal controls, compliance with applicable laws and regulations, safeguarding shareholders’ interests, Company’s assets and the reliability of financial information. Where weaknesses are identified as a result of the reviews, remedial and improvement measures are recommended to strengthen controls; and follow-up reviews are conducted by internal auditors to assess the status of the implementation thereof by the management. All findings and recommendations from both external and internal auditors are directly reported to the Audit Committee.</p> <ul style="list-style-type: none"> • Board Meetings <p>The Audit Committee and board conduct quarterly meetings to review quarterly results, annual financial statements, related party transactions and updates on business development.</p> <ul style="list-style-type: none"> • Sufficient Insurance Coverage <p>Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group’s assets are adequately covered against any mishap that could result in material loss.</p> <ul style="list-style-type: none"> • Good Corporate Governance Policies <p>Anti-Bribery and Anti-Corruption Policy and Whistle-Blowing Policy were implemented to supplement the Group’s Code of Conduct and Ethics. This is also part of the Group’s efforts to eliminate corporate liabilities in relation to the new provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.</p> <p>In order to ensure that the Group’s system of internal control is operating as envisaged, the Group’s outsourced internal auditors carried out independent review on the adequacy and integrity of the Group’s system of internal controls and reports to the board through the Audit Committee on the effectiveness of the Group’s system of internal control.</p>
<p>Explanation for departure :</p>	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced the internal audit function to an independent professional firm, which is independent of the activities and operations of the Group. The internal auditors work within the scope of an audit plan, which has been approved by the Audit Committee, to review and test the adequacy and effectiveness of the internal controls of the Group. The external auditors will in the course of their statutory audit, conduct a review of the internal control procedures and highlight any internal control weaknesses which have come to their attention. All such findings and recommendations made by the internal and external auditors are reported to the Audit Committee. Any significant issues are discussed at the Audit Committee meetings.</p> <p>The internal auditors will follow up on all its recommendations to ensure that management has implemented them in a timely and appropriate manner. The internal auditors support the Audit Committee in its role to assess the effectiveness of the Group's overall system of internal controls. The assistance provided by the internal auditors is primarily accomplished through their appraisals of the financial and operational controls, policies and procedures established by management, and their reviews for compliance by the Group's operating entities with these established controls, policies and procedures. The internal auditors reports directly to the Audit Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company is outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”) who is a corporate member of The Institute of Internal Auditors Malaysia (“IIAM”). The appointment of Sterling is reviewed by the Audit Committee (“AC”) and endorsed by the board. The internal auditors are adequately resourced and have unrestricted access to the AC, the board and management. The internal auditors are free from any relationships or conflict of interest, which could impair their objectivity and independency on the internal audit activities. The internal auditors do not have any direct operational responsibility or authority over anyof the activities audited.</p> <p>Sterling assigns leader/head to lead each internal audit based on the scope and competencies of the leader/head. The number of audit staff deployed for each internal audit review ranges from three (3) to four (4) internal auditors per review.</p> <p>Ms. So Hsien Ying is the Principal Consultant/Director of Sterling with more than twenty (20) years of internal audit experiences. She is a Certified Internal Control Professional from Internal Control Institute, USA. In addition, she holds a master degree and bachelor degree as well as an associate member of IIAM. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Certain staff are members of the IIAM.</p> <p>The internal auditors adopt the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group’s internal control systems. The internal audits were conducted in accordance with the internal audit plan approved by the board. Greater focus and appropriate review intervals are set for higher risk activities, material internal controls, including compliance with the Company’s policies, procedures and regulatory obligations. The AC reviewed the internal audit reports presented by the internal auditors and considered the recommendations, taking into account</p>

	<p>management’s responses, before endorsing the appropriate action plans.</p> <p>Further details of the internal audit activities are presented in the Audit Committee Report and Statement on Risk Management and Internal Control of the Annual Report.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The board recognises the importance of shareholders' and investors' communications and as a matter of policy, reports on a timely basis all material information in relation to the Group. The Group also communicate with the general public through its annual reports, quarterly and other corporate announcements to Bursa Malaysia Securities Berhad.</p> <p>In this respect, the board ensures that all information sought was disseminated in strict adherence with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Group maintains a website at www.snfcapital.com.my for shareholders and the public to access information of the Group. Stakeholders can direct their inquiries via email to enquiry@snfcapital.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Notice of 20 th Annual General Meeting (“AGM”) is dated 28 October 2022 and the 20 th AGM is scheduled on 28 November 2022. In addition, the Notification Letter of AGM is circulated to shareholders via email and normal post on 28 October 2022. Therefore, the shareholders are notified at least 28 days prior to the AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All directors attended our 19 th Annual General Meeting to provide responses to any questions raised by shareholders.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Company’s Annual General Meeting (“AGM”) is held within the capital city and located near its registered office as well as the head office. Moreover, the AGM location is also easily accessible by the public.</p> <p>In addition to the above, shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absence. The form of proxy is available in the Company’s Annual Report. Shareholders can also download the form of proxy from the Company’s website at www.snfcapital.com.my.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman ensures that the shareholders of the Company are given sufficient opportunity or time to participate in Questions and Answers session during the general meeting of the Company. Shareholders are allowed to submit their questions to the board prior to the Annual General Meeting ("AGM") at the designated email address. During our 19 th AGM, the board answered all the questions from shareholders.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice	:
Explanation for departure	: The Company’s 19 th Annual General Meeting (“AGM”) was held through a physical meeting on 29 November 2021. All questions received before and during the AGM were answered accordingly.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of our 19 th Annual General Meeting (“AGM”) is available on our website within thirty (30) business days after the 19 th AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Click or tap here to enter text.

